NETCONOMY

ESG REPORT 2021

Environmental. Social. Governance.

"At NETCONOMY we like to be ahead of the curve – whether that is about the cutting-edge technologies we use, the latest work principles and methodologies or making sure we run this company in a sustainable way."

Martin Barzauner
NETCONOMY CEO

Foreword

With the rise in social inequality across the world – exacerbated by the biggest pandemic in the last hundred years – and the effects of the climate crisis increasing at an alarming rate, it is high time companies play their part in our collective bid for sustainability.

ESG (Environmental, Social and Governance) reporting is a mechanism through which businesses can highlight ways in which they operate in a sustainable and responsible manner. This is not only important for their investors, but increasingly customers and even employees who want to make sure that the companies they associate with care about the world we live in.

The European Commission plans to make this type of reporting mandatory for all EU companies starting from 2024 onwards. But here at NETCONOMY we like to be ahead of the curve – whether that is about the cutting-edge technologies we use, the latest work principles and methodologies or making sure we run this company in a sustainable way.

Because of this, we have decided to already start publishing this report annually from 2022 and highlight the different initiatives and procedures which ensure our commitment to a better tomorrow.

Environment

With the results of the climate crisis becoming clear to everyone, we believe we must all do our part so that the world we leave behind is better than the one we inherited. This is why the topic of sustainability is firmly lodged at the core of our philosophy and shapes our working procedures as an essential component of our company culture.

In practice, we ensure our business is environmentally friendly by:

- reducing our CO_2 output and switching to green energy sources
- focusing on regional and sustainable procurement
- financially compensating our CO_2 emissions

1 Reducing our CO2 output and switching to green energy sources

To try and minimize our carbon footprint, we transformed our operations in Austria and Switzerland so that from 2019 onwards they drew all their energy from renewable energy sources. Our other locations are close behind with 60% of their energy coming from climate neutral sources.

On the other hand, we are working to replace car and plane travels with trains – saving 85,4 tons of CO2 from 2019 until 2021. This is the same as keeping 20 cars of the streets for one entire year!

All locations in Austria and Switzerland obtain energy from renewable energy sources.

In 2020 we compensated 200% of our CO2 emissions.

2   Regional and sustainable procurement

Our push towards sustainability does not end with our own operations. When considering suppliers or external partner organizations, we place great emphasis on regional and environmentally friendly production. Because of this, our workplace equipment is purchased from domestic companies whenever possible. And the same goes for our events, with catering fully provided by regional suppliers.

All these efforts serve to decrease our CO2 footprint even further, while also strengthening business in our local communities.

3   CO2 compensation

Even though we are firmly committed to minimizing our carbon footprint, we understand that we will never be perfect. That's why our sustainability strategy also includes financial compensation, for the CO2 that we release into the environment.

In 2019 we compensated 130% of our CO2 emissions caused by travels, electricity, and heating – with that number hitting 200% in 2020! For this, we chose to partner with the German organization "atmosfair" which establishes sustainable energy sources in developing countries. The funding we provided helped the construction of a hydropower plant in Honduras, as well as a wind power plant in Nicaragua.

Social

A new generation has entered the workforce and they are very careful when choosing which companies they want to be associated with. For them, it's no longer about pay or benefits – they care about company values, having a healthy work environment, and the ability to make real change in the world.

We've always seen the world this way and our social responsibility practices reflect that. From making sure our teams are diverse, to supporting and empowering them through tools and benefits – we always make sure that people are at the heart of everything we do.

We believe our diversity is our strength

There are great benefits to having teams which are diverse in terms of age, gender, backgrounds and cultures, as they provide vastly different perspectives and experiences. This is why we are so proud to have more than 30 nationalities represented among our colleagues.

As a result of our policy of equal opportunities applied across our company, about one third of our colleagues are female – and they also make up one third of all our leadership positions.
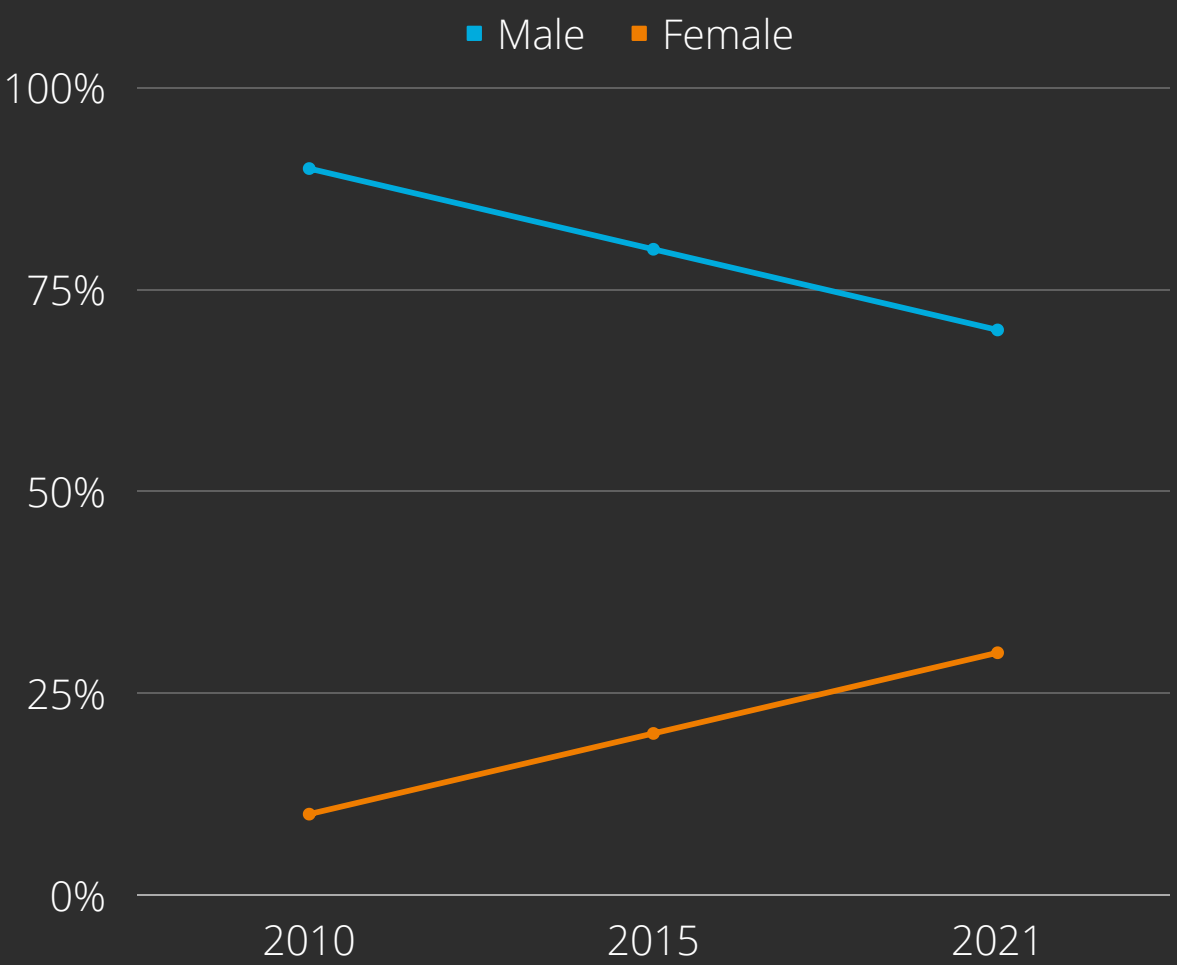
30% of our colleagues are female – and they make up 32% of all our leadership positions.

More than 30 nationalities are represented among our colleagues.
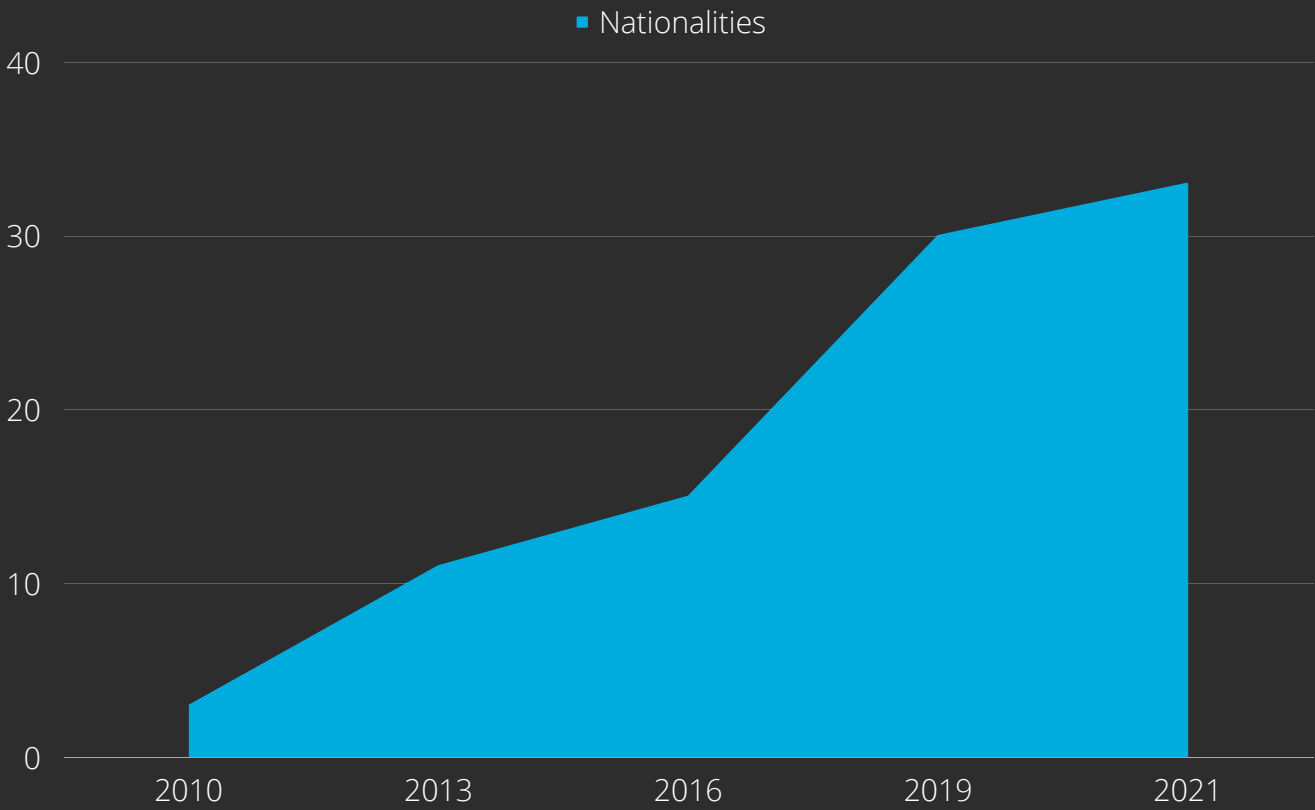
Despite of the COVID-19 pandemic we experienced an increase in the employee satisfaction score between 2019 and 2021.

We care for our people

We deeply believe in helping our colleagues become the best versions of themselves. This not only applies to their professional development (where we provide a wide range of education opportunities), but also the chance to give back to their communities through charity work as part of NETCONOMY.

This is rounded off with a comprehensive benefits package, which includes both social and medical aspects helping to make sure they feel valued and supported in and out of the workplace.

Underpinning it all – an open feedback culture which makes sure that crucial information is available to everyone, and that any colleague's voice can be heard no matter their position.

We live an open *feedback culture.*

We strongly support open and constructive feedback and evaluate the well-being of our colleagues on a regular basis. We also use a variety of methods and tools to encourage transparent communications and an open exchange with the management team.

Blue Couch

The Blue Couch is a weekly 30-minute meeting of all employees with the members of our management team. The overall goal is a transparent company-wide exchange of information. During the meeting, the management shares relevant updates and gives colleagues a chance to openly ask questions or air their concerns. We also use this format to celebrate the many success stories of our teams.

Organizational development

Following the principle of 'turning people with concerns into participants', we continuously invite ideas that aim to improve our organizational processes or develop our company culture.
We use the following tools and methods:
- Kublai (continuous improvement process)
- Objective Key Results (OKR)

Employee Satisfaction Evaluation

To keep track of our colleagues' satisfaction level on a regular basis, we have implemented an anonymous feedback survey based on chat-bot technology. The aggregated results of the survey are evaluated by our Human Resources colleagues and fed back to the management team – helping to keep our colleague's satisfaction levels high. In the period between 2019 and 2021, the overall satisfaction score rose from 7.5 to 7.7 points, on a scale from 1 to 10.

Continuous learning is one of our top priorities.

Continuous learning is a top priority for us. People who are a part of the NETCONOMY team benefit both from a wide range of external training programs and our in-house NETCADEMY.

NETCADEMY offers programs which cover a wide range of technical skills (software engineering, modern technologies, agile methods, project management and many more) as well as soft skill trainings to enhance communications and creative skills.

Another point of pride is our internally developed onboarding program which is adjusted to the individual needs and requirements of new joiners and their respective roles. With a portfolio of over 45 onboarding slots, a two-month mentorship program and a dedicated, role-specific bootcamp, we ensure that new team members immediately feel connected and have a clear picture of the company's culture and mission.

Shaping the career path of young talents

We care about the way our industry develops, and believe young people deserve a chance at proactively shaping the way their career develops. This is why every year we organize our NETCONOMY Talent Lab – a three-month long paid traineeship program which includes a customized set of trainings and workshops and mentoring from experienced colleagues to help participants get a feel of how a real-world software development project looks like. We are especially proud that most of the participants continue to work with us after the program, helping us do amazing things together.

Leaders can't support if they are not supported

Finally, we empower our leaders at all levels to improve their capabilities, inspire their teams and achieve outstanding results through a professionally led 15-day leadership training. The training takes place away from the office in two highly rated seminar locations, surrounded by nature. Finding new, innovative ways of developing and managing people, developing new business opportunities, and finding solutions to universal challenges as one leadership team, is in the focus of the training.

The last two years of the pandemic have shown us just how important it is to take care of our physical and psychological health and maintain a balance in our lives. Our benefits are designed to ensure a high level of work-life balance, provide flexibility to colleagues so that they feel empowered and supported, and motivates them to celebrate their success together as a team.

Social Benefits:

- Team events – organized by members of a team and subsidized by the company
- Social Events – cart racing, Pub Quiz, barbecues etc.
- Social Initiatives – NETCONOMY Charity Run
- Tea, coffee, juices, fruits, breakfast available for free

Work-Life-Benefits:

- Flexible working models
- Home office
- "Work from Anywhere" (office, hybrid or remote)
- Modern recreation rooms

A logical continuation of our Benefits program, our healthcare program again focuses on both physical and mental health of our colleagues. Our offices are designed with the highest ergonomically standards in mind, and we also offer regular yoga classed, golf courses and additional fitness programs.

In addition, colleagues have access to coaching, occupational psychological counselling, stress prevention and a dedicated health physician on a continuous basis. During the pandemic these services were provided in a remote setting.

Our employee benefits ensure a high level of work-life balance and focus on physical and mental health.

NETCONOMY Social Club

To help colleagues who were facing prolonged isolation in the face of the pandemic, in 2020 we launched the NETCONOMY Social Club – giving our teams a chance to stay connected and socialize. The Club enabled colleagues to connect outside of working hours and take part in virtual activities across five distinct categories.

KNOW

Internal and external speakers present interesting facts in specific areas of interest like Data protection, Bio-technology, 3D-printing, and much more.

HEALTH

Regular virtual sports activities (like yoga) and workshops around nutrition or burn-out prevention.

PLAY

Gaming nights not only encourage team spirit and solidarity but also guarantee exciting experiences and untroubled hours.

GROW

During hackathons, coding DoJos or Innovation Talks colleagues can improve their knowledge and participate as teams in internal and external events.

TASTE

Thanks to virtual cooking and baking workshops with experts, colleagues are encouraged to share their favorite recipes from their home countries.

Every year, we ask our colleagues an important question: Which causes would you like NETCONOMY to support? The wide range of causes we've supported over the past three years reflects this diversity:

Children are often the most vulnerable, so it's not surprising that most donations concerned their wellbeing – from organizations supporting families with children fighting cancer, those helping kids without parental care, to centers which specialize in education and sport activities for children with disabilities.

We've helped the homeless – especially during the colder months of the year – by donating to winter shelters, organizations that provide them with free medication, or those that support them through companionship and community.

There are many other causes we've supported to including those fighting against family violence, organizations providing free medications and psychotherapy for those less fortunate, investigative newsrooms trying to promote truthful reporting and fight disinformation, or charities helping those with migration background.

We are proud of the work we have done together with our colleagues and are looking forward to asking the same question in the years to come – who would you like us to help?

In the period of 2019–2021, we donated a total of €263.000 to those in need.

Governance

We take the rule of law, and the security and safety of our colleagues, very seriously – which is why we follow the strictest standards when it comes to governance of the company. We always make sure to go beyond what is required by law, making sure all processes are transparent and improved over time.

How NETCONOMY ensures *IT-Security*.

1 Zero-Trust-Security-Model

NETCONOMY applies the Zero-Trust-Security-Model, which requires a strict identity check of every person and device which tries to access internal resources. The Zero-Trust-Security-Model is a comprehensive approach to network security and implies that no one, internally or externally, can be classified as trustworthy by default.

2 Vulnerability Management

Vulnerability Management is a process to identify, evaluate, treat, and report security gaps in systems or software. We continuously evaluate assets to identify potential sources of risks at an early stage, applying Threat-Intel-Analyses.

3 Identity and Access Management

Identity and Access Management (IAM) provides the opportunity to identify users and their individual entitlements. At NETCONOMY, IAM enables user authorizations based on company-, project- or team membership considering the role of the employee.

4 Anti-Virus and Anti-Malware

NETCONOMY secures its devices against latest threats and risks, using extended functions such as vulnerability management, endpoint protection, user behavior and reaction.

5 E-Mail Security

To protect the company from spam, malware and e-mail threats, NETCONOMY uses progressive filter technology such as URL- and domain blacklists, Anti-Malware-Engines and Capacity inspection and AI-based detection technology.

The internal department "Information Security Office" (ISO) takes responsibility for the following areas: ISMS in accordance with ISO27001 (Information security management system, Introduction and examination of technical and organizational measures), consulting, training as well as Security Incident Handling.

The data protection officer periodically reports to the management and the Head of Information Security about the current state and developments of information security and data protection including potential risks and serious breaches.

Data protection and information security are essential issues for NETCONOMY. As an international company, specialized in information technology, the requirements towards data protection and information security management are high. Especially since the beginning of the COVID-19 pandemic in 2020 cybercrime increased tremendously and we have therefore adapted our requirements accordingly.

How NETCONOMY ensures data protection and information security.

Transparent structures across all levels

We place great importance on the compliance with legal requirements and the prevention of any legal violations. To ensure legal compliance, the company established the following structures and processes:

- Annual (partly voluntary) audits of all subsidiaries and the enterprise
- Rigorous handling of authority to sign
- Multi-step approval process for orders and payments

Prevention of corruption

We are keen to ensure that we follow the highest standards not only on technical level – but also in connection to ethical and social aspects. To continuously ensure this, an independent platform was established, enabling colleagues and stakeholders to report compliance violations such as fraud, sabotage, violation of human rights, abuse of data protection etc.)

All indications are treated with confidentiality and without any negative consequence for the reporting person. (https://netconomy.whistleblowing.contact)

As we move forward, it is our wish to keep improving on the remarkable things our teams have already done to underscore our commitment to our planet and the local communities we operate in. With this (and future) report, we hope to inspire our partners, competitors, and customers to take part and join us on this great journey to a brighter future for all.

Because we care!

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